

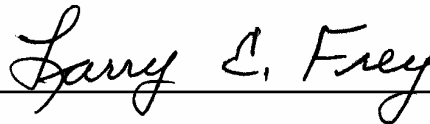
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Oregon State Office
Tualatin, OR 97062-8121

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| General Program Administration 1-FLP | Amendment 2 |
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Approved By: State Executive Director

LEF:LEV:dlh



1 Amendment Transmittal

A Reasons for Issuance

To correct state guidance regarding general administrative functions of Farm Loan Programs (FLP) for delegation of authorities, appraisal review process, appraisal contracting requirements, appraisal request process and guaranteed appraisal review.

This Amendment modifies the following:

- training requirements for FSA appraisers that can appraise real estate property involving total credit transaction is less than \$100,000
- training requirements for contract chattel appraisers
- requirements to complete administrative appraisal reviews for all real estate appraisals
- requirements when form RD 440-21-OR is required to be used by FSA chattel appraisers.

| Page Control Chart | | |
|---------------------------|-------------|----------------------------------|
| TC | Text | Exhibit |
| | 6-4, 6-12 | 2, pages 3 & 4 3, pages 1 & 2 |

142 Appraisal Reports

A Chattel Appraisals

If Form RD 440-21 or any other agency recognized chattel appraisal form is not available to be completed by the Farm and Home Plan software or any other agency recognized software, Form RD 440-21 OR will be used when completing a chattel appraisal.

145 Appraiser Qualifications**A Chattel Appraisals**

FSA employees must have delegated authority from the SED to complete chattel appraisals. In order to have delegated authority the FSA employee must complete the following training requirements:

- Successfully complete chattel appraisal training approved by the designated state appraiser or designated person
- Performed at a minimum three (3) chattel appraisals with over sight by an FSA employee with designated authority to complete chattel appraisals and administrative appraisal reviews. It is recommend that the 3 chattel appraisals be completed on a variety of chattels before requesting delegation.

To request delegation of authority:

- The FSA employee who has met the training requirements to complete chattel appraisal may request SED delegated authority by submitting a memorandum from their immediate Supervisor recommending the delegation documenting the training and experience that has been completed
- The District Director must provide concurrence.

D FSA Limited Authority Real Estate Appraisers

The SED will delegate authority to FSA employees who have limited appraisal authority that meet certain training requirements. These individuals are individuals who's primarily responsibility is the administration of FSA programs. The delegation will limit authority to performing real estate appraisals when the total credit transaction is less than \$100,000. The SED will consult the state designated appraiser and the Farm Loan Chief (FLC) for recommendation of individuals that may receive the delegation. Typically, the state designated appraiser will provide training to individuals that are delegated limited appraisal authority. The minimal training requirements are:

- Receive basic appraisal training on appraisal methods and procedures from the state designated appraiser or other courses approved by the SED upon concurrence with the state designated appraiser
- Complete an approved administrative appraisal review course.

General Appraisal Requirements (Continued)**E Obtaining Appraisals (Continued)****1) Farm Appraisals (Continued)**

- c) Information to be submitted with an appraisal request for real estate (Continued):
- Any of the documents listed on OR Exhibit 6, “Appraisal Purchase Order Description Sheet,” that applies to the property to be appraised
 - The complete information for an appraisal request should be mailed to the STO the same day you fax your request.

Title companies will provide, at no cost, consumer information reports on properties. Appraisers obtain a trio with a plat map, the assessor’s improvement information and a copy of the deed. Brokers often obtain a similar package. This information is helpful on properties FSA does not have a mortgage on.

2) Residential Appraisal

For appraisal requests that will involve residential real estate or lot, the County office should:

- Complete and submit an AD-700 to STO to obtain funds
- Locate a licensed appraisers that could perform the appraisal in the county that the property is located and submit their name, address, designation, phone number and fax number
- Complete OR Exhibit 6, “Appraisal Purchase Order Description Sheet,” sections A & B
- Provide a copy of the legal description
- Provide a copy of the plat clearly identifying the location of the property or tax lots involved
- Provide a copy of the purchase agreement, if applicable
- The Contracting Officer or state designated appraiser can assist with locating the appraiser and will complete the necessary purchase order.

3) Non-Farm Appraisals

For appraisal requests that involve properties other than farm or residential the County Office should:

- Complete and submit an AD-700 to STO to obtain funds
- Complete OR Exhibit 6, “Appraisal Purchase Order Description Sheet,” sections A & B

General Appraisal Requirements (Continued)**E Obtaining Appraisals (Continued)****3) Non-Farm Appraisals (Continued)**

- Provide a copy of the legal description
- Provide a copy of the plat clearly identifying the location of the property or tax lots involved
- Provide a copy of the purchase agreement, if applicable
- The Contracting Officer or state designated appraiser can assist with locating the appraiser and will complete the necessary purchase order.

4) Chattel Appraisals

Typically, chattel appraisals will be completed by FSA employees that have delegated authority to complete chattel appraisals. Only in unusual circumstances will FSA contract chattel appraisals. If FSA employees are not able to complete a chattel appraisal then the County Office may solicit services from qualified chattel appraisers. The authorized agency official is reminded that FSA must use (48 CFR, Part 1), Agriculture Acquisition Regulation, USDA DR's and notices and FSA notices to manage acquisitions.

To solicit chattel appraisal services the authorized agency official should:

- Acquire listing of potential chattel appraisers. The recommended minimum qualifications for a chattel appraiser are:
 - To be licensed in the State of Oregon as a business
 - Have at least 3 years experience in appraising the personal property you need to be appraised
 - Be a member National Auctioneers Association or Oregon Auctioneers Association or any other organization that provide oversight of chattel appraisers.
 - Complete Sections A through E of OR Exhibit 7, "Chattel Appraisal Request & Bid Solicitation Sheet," and complete the appropriate attachments:
 - OR Exhibit 8 – 11 should be used to document equipment (OR Exhibit 8), livestock (OR Exhibit 9), growing crops (OR Exhibit 10), and inventory (OR Exhibit 11).
 - Base Acres should be documented CCC 509E, "Direct and Counter-Cyclical Statement of Estimated Payments," and a copy of CCC 509, "Direct and Counter Cyclical Program Contract," for the particular producer or any other appropriate form, if applicable.
 - A copy of form FSA 0440-04A or 0440-04, "Security Agreement (Chattels and Crops)," if applicable

Review of Appraisal Reports (Continued)

B Administrative Appraisal Reviews

1) General:

County Offices will complete administrative reviews when you receive a copy of the complete appraisal for either real estate or chattels that were completed by a third party or contract appraiser. You are reminded that:

- Only delegated individuals can complete an administrative review
- Timely completion of the administrative appraisal review is necessary for the State Office to process the contracting appraiser's invoices within regulatory timeframes
- The administrative appraisal review should be completed within 7 business days upon receipt of the appraisal
- For real estate appraisals a copy of the completed FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm should be faxed to the STO with a copy mailed to the STO. The calculation section of FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm is not required to be completed but is available to be used to document calculations
- For chattel appraisal form FSA 1922-16 OR – Chattels will be completed or any other chattel appraisal form recognized by the agency
- If there is not an Oregon Supplemental Appraisal Review Sheet, the reviewer must determine if the contractual requirements described by the appropriate Statement of Work (SOW) are met
- The original administrative review should be placed in the 1-FLP operational file
- An automated format form FSA 1922-16, FSA 1922-16 OR – Farms, FSA 1922-16 OR – Non-Farm are available to the field office on the public server available through the agency network. The location of the Microsoft Word version of the forms are:

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OR Exhibit 15 provides information on the automated forms and exhibits that are available to the County Office at this directory and instructions on how to setup hyperlinks to the documents and use of the forms.

2) Supplemental Standards for Administrative Appraisal Reviews

When completing an administrative appraisal review of farm or non-farm real estate appraisals, FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm will be completed. The calculation section of FSA 1922-16 OR-Farm or FSA 1922-16 OR-Non-farm is not required to be completed but is available to be used to document calculations. Depending on the type of property that was appraised the following Oregon Supplemental Appraisal Review Sheets are applicable:

- Farms – FSA 1922-16 OR – Farms, “Oregon Supplemental Appraisal Review – Farm Real Estate”

Review of Appraisal Reports (Continued)

B Administrative Appraisal Reviews (Continued)

2) Supplemental Standards for Administrative Appraisal Reviews (Continued)

- Non-Farm – FSA 1922-16 OR – Non-Farm, “Oregon Supplemental Appraisal Review – Non-Farm.”
(typically used for residential appraisals)